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UNCLAS SECTION 01 OF 03 HARARE 000651

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SUBJECT: ZIM NOTES 08-07-2009

1. SUMMARY

Topics of the week:

- VP Msika Dies...
- Parliament Recommends 12 for Media Commission...
- Protesting Students Arrested...
- GOZ Forms Diamond Committee...
- ZLHR Wins ABA award...
- Magistrate Acquitted...
- Women Speak Out on Political Rape...
- Hillary Who?
- Bus Company Denies Juju...
- Mayor to Get New Merc?
- Air Zimbabwe Losing Altitude...
- Zim Dollar Casts Shadow from its Grave...
- Farm Output Expected to Decline...

On the Political/Social Front

12. VP Msika Dies... Vice President Joseph Msika died on Wednesday at 85 after years of poor health. Leaders from all political parties have issued statements praising the late Msika who has been a leader since the liberation struggle. Msika was named a national hero by the ZANU-PF politburo and will be buried at hero's acre. We believe Mugabe will appoint another Ndebele politician to replace Msika, but there are no clear-cut favorites. See Harare 643.

13. Parliament Recommends 12 for Media Commission... Parliament concluded interviews this week for the Zimbabwe Media Commission (ZMC) and the Broadcasting Authority of Zimbabwe (BAZ), recommending 12 nominees for appointment by the President. Mugabe is bound by law to appoint eight ZMC commissioners and a chairperson. After former Media and Information Commission Chairman Tafataona Mahoso received a low score and did not make the short list of nominees, eliciting anger among some ZANU-PF stalwarts who called the process

biased. Media and human rights lawyer Chris Mhike received the top score in the interviews. Other nominees include journalists Ngobile Nyathi, Mathew Takaona, Miriam Madziwa, Henry Muradzikwa, Godfrey Majonga and Wabata Munodawafa, academic Rino Zhuwarara, pastor Useni Sibanda, Roger Stringer, academic Clemence Mabaso and banker Millicent Mombeshora.

¶4. **Protesting Students Arrested...** 10 of the 14 students arrested Wednesday at the University of Zimbabwe have been released. Four others, including Zimbabwe National Students' Union (ZINASU) president Clever Bere, remain in police custody. The students were protesting high fees at the university, which now range from US\$400-600. The University re-opened this week, and students who have not paid fees have been barred from attending lectures and from the library.

¶5. **GOZ Forms Diamond Committee...** Defense Minister Emmerson Mnangagwa, Finance Minister Tendai Biti, Mines Minister Obert Mpofu and Trade Minister Welshman Ncube have reportedly formed a committee to respond to concerns raised by the Kimberley Process. This is apparently in response to a letter the KP Chair, Namibian Bernard Esau, sent to the government this week regarding concerns for the safety of Zimbabweans who met with the KP delegation members during their visit in late June.

¶6. **ZLHR Wins ABA award...** Zimbabwe Lawyers for Human Rights (ZLHR) received the American Bar Association (ABA)'s Rule of Law award at the ABA's national congress in Chicago on August 1. In her remarks, ZLHR Director Irene Petras acknowledged the economic progress made in Zimbabwe but decried ongoing human rights abuses.

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¶7. **Magistrate Acquitted...** Mutare acting regional magistrate Livingstone Chipadza was acquitted this week of criminal abuse of duty. The State contended that Chipadza showed favor in sanctioning the release of MDC-T Treasurer and Deputy Agriculture Minister-designate Roy Bennett from remand prison in Mutare in February. After allowing Bennett's release, Chipadza was arrested and held for several days in the notoriously overcrowded and filthy Mutare jail before being released on bail.

¶8. **Women Speak Out on Political Rape...** A local NGO has published a video featuring stories of political rape during last year's election violence. See: <http://hub.witness.org/en/HearUsViolenceAgainstWomeninZimbabwe2>.

¶9. **Hillary Who?** While press around the rest of Africa is abuzz with news of Secretary Clinton's ongoing visit to Africa, the government-run local press has not mentioned her ongoing, historic visit.

¶10. **Bus Company Denies Juju...** This week the government revoked the license of Mhunga Bus Services after a head-on crash killed 40 people on August 2. Earlier this year a Mhunga bus was involved in an accident that killed 30. Since 1995, 200 people have died in accidents involving Mhunga's buses. In an article in The Herald, the company director denied that Mhunga had used juju to enhance its business, following allegations that juju-gone-wrong had caused the crashes.

¶11. **Mayor to Get New Merc?** Harare's mayor, MDC-T's Muchadeyi Masunda is getting a new Mercedes at the cost of USD153,000 to the Harare city council, according to the government mouthpiece The Herald.

On the Economic and Business Front

¶12. **Air Zimbabwe Losing Altitude...** Local press reports that Air Zimbabwe is technically insolvent and "on the verge of collapse." The airline may slash wages by 50 percent and send some workers home in a last-ditch effort to stay in business. Air Zimbabwe's monthly

wage bill is USD 1.2 million for its workforce of 1,420. AirZim CEO Peter Chikumba has said he needs only half this number of workers. The GOZ is the airline's sole shareholder and has reportedly sought to sell a 60-percent stake in return for a capital injection of USD 750 million.

¶13. Zim Dollar Casts Shadow from its Grave... Finance Minister Tendai Biti has said more than once that he had put "a tombstone on the grave of the Zim dollar," but the public is getting different signals from the other side of Zimbabwe's disunited unity government. Zimbabweans generally see the reintroduction of a national currency as inevitable, but much depends on the timing. Business leaders and bankers told us this week that uncertainty over resurrection of the Zim dollar makes people nervous about depositing their U.S. dollar balance in the banks, and that further reduces the banks' capacity to make loans. With Zimbabwe's dollarized economy now showing signs of life, lack of credit is now a universal Qnow showing signs of life, lack of credit is now a universal complaint within the business community.

¶14. Farm Output Expected to Decline... Production estimates published this week by the Commercial Farmers' Union (CFU) show output declining in 2009 for all crops except maize and sorghum. The CFU projects a 28-percent increase in maize output this year over 2008 with an expected harvest of 534 tons. Production of cotton is expected to fall to 210 tons, down 6 percent, and flue-cured tobacco output will be down 18 percent to 40 tons. The CFU's annual report says production has been constrained by lack of

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financing for inputs, unreliable power supply, and price controls.

Quote of the Week

¶15. "Zimbabwe welcomes foreign investment and offers immense opportunities in the mining sector. Acquisition of a mining title is relatively the simplest in Africa." - Mining Minister Obert Mpofu, speaking at the Fifth Annual Mining in Africa Conference in South Africa on August 6.

DHANANI